

South Africa

Population: **56 million**
GDP Growth: **0.3%**
GDP/Cap (PPP): **\$13,225**
Ease of Doing Business: **4**



"Pele Green Energy is excited to partner with USTDA. Risk capital for renewable energy projects is often difficult to secure, so we appreciate USTDA's contribution toward bringing this [75 MW solar PV] project to financial close."

- Obakeng Moloabi, Executive Director for On-Grid Project Development at Pele Green Energy

ENERGY SECTOR OVERVIEW

In South Africa, approximately 89%, or 40,000 MW, of the nation's electricity (45,000+ MW) is generated via coal-fired power stations. While conventional thermal power sources will likely be the dominant source of electricity generation for the foreseeable future, by the end of March 2017 over 3,000 MW of renewable energy was in operation, accounting for slightly less than 3% of generated electricity. South Africa operates a highly-successful, though currently politically-constrained, Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) for utility-scale transactions. Further, South Africa's rooftop solar PV market has seen significant growth over the past several years. As of November 2016, there were an estimated 100,000+ systems installed throughout South Africa.



GENERATION CAPACITY

Installed Capacity: 49,555 MW

- Thermal: 43,744 MW
- Hydroelectric: 2,732 MW
- Other Renewables: 3,079 MW

Power Africa New MW to Date

- Reached Financial Close: 894 MW

Power Africa 2030 Pipeline: 6,643 MW



CONNECTIONS

Current Access Rate: 86%

- Rural: 85% Urban: 87%

Households without Power: 1 million

- Target: Universal Access by 2020

PA New Off-Grid Connections: 137,300

INVESTMENT AND ENABLING ENVIRONMENT

Biggest Issues and Bottlenecks

1. Macroeconomic forces
2. Outdated Integrated Resource Plan (IRP)
3. Overcapacity

Power Africa Interventions

1. Transaction advisory support
2. Gas-to-Power advisory
3. Southern Africa Energy Program (SAEP)



POWER AFRICA'S ENGAGEMENT IN SOUTH AFRICA

MW GENERATION

Power Africa's interagency partners, the Overseas Private Investment Corporation (OPIC), the U.S. Export-Import Bank, and the U.S. Trade and Development Agency (USTDA), are very active in South Africa and have supported variety of solar, wind, biomass, and natural gas projects at utility scale, as well as a selection of distributed generation and commercial & industrial solar transactions.

CONNECTIONS

Power Africa is supporting the City of Johannesburg with a plan to electrify more than 180 informal housing settlements, using technologies that can be relocated or adapted based on changing needs.

ENABLING ENVIRONMENT

South Africa's Integrated Resource Plan (2010), which prescribes the energy mix to address demand over a 20 year horizon, is currently seven years out of date. Future procurement of IPP capacity has been placed on hold until after the completion of the updated Integrated Resource scheduled for February 2018.

SUCCESSSTORY

OPIC provided \$34 million of political risk insurance and \$250 million of financing to support the 60 MW Boschhoff Solar Park in the Free State province of South Africa. The transaction is online and providing power to the nation's electric grid.



ABOUT POWER AFRICA

Power Africa is comprised of 12 U.S. Government Agencies, over 140 private companies, and 16 bilateral and multilateral development partners to support sub-Saharan governments by working together to increase the numbers of people with access to power. Power Africa's goal is to achieve 30,000 MW of new generated power and 60 million new connections by 2030 to reach 300 million Africans.

CONTACT US

Post Contact
Ashley King
aking@usaid.gov

Coordinator, Power Africa
Andrew M. Herscovitz
powerafrica@usaid.gov

Country Desk Officer
Albert Osueke
aosueke@usaid.gov

www.usaid.gov/powerafrica | www.facebook.com/PowerAfrica

